

IOWA FINANCE AUTHORITY[265]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 17A.3(1)“b” and 16.5(1)“r,” the Iowa Finance Authority hereby amends Chapter 44, “Iowa Agricultural Development Division,” Iowa Administrative Code.

The purpose of these amendments is to update references in the rules and the implementation sentence due to revision of the Iowa Code.

Notice of Intended Action was published in the Iowa Administrative Bulletin on March 4, 2015, as **ARC 1905C**. The Authority received no public comment on the proposed amendments. However, based on comment from staff, these amendments have been changed since publication of the Notice of Intended Action. In Items 4 and 5, subrules 44.6(1) and 44.7(1) have been amended to reflect a change in statute. In paragraph “a” of both subrules, the phrase “five years” has been changed to “ten years.” In addition, an Iowa Code reference has been updated in Item 6.

The Iowa Finance Authority adopted these amendments on May 6, 2015.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code sections 16.4A, 16.4B, and 16.75 to 16.84.

These amendments will become effective on July 1, 2015.

The following amendments are adopted.

ITEM 1. Amend rules **265—44.1(175)** to **265—44.6(175)**, parenthetical implementation statute, as follows:

(~~175 16~~)

ITEM 2. Amend rule 265—44.2(16), introductory paragraph, as follows:

265—44.2(16) Definitions. For any terms not defined in this rule, refer to Iowa Code section 175.2.

ITEM 3. Amend the following definitions in rule **265—44.2(16)**:

“*Act*” means Iowa Code ~~chapters~~ chapter 16 and 175.

“*BFCF eligible applicant*” means an individual, partnership, family farm corporation or family farm limited liability company that has a net worth of not more than the maximum allowable net worth. The applicant must also satisfy all of the criteria contained in Iowa Code sections ~~175.36A~~ 16.79 and ~~175.38~~ 16.81 and the provisions of these rules relating to recipient eligibility as they relate to who operates or will operate a farm.

“*BFLP eligible applicant*” means an individual who has a net worth of not more than the maximum allowable net worth. The applicant must also be a beginning farmer, as defined in Iowa Code section ~~175.12~~ 16.75, who satisfies all of the criteria contained in the Act and provisions of these rules relating to recipient eligibility as they relate to who operates or will operate a farm.

“*BFTC eligible applicant*” means an individual, partnership, family farm corporation or family farm limited liability company that has a net worth of not more than the maximum allowable net worth. The applicant must also satisfy all of the criteria contained in Iowa Code sections ~~175.36A~~ 16.79 and ~~175.37~~ 16.80 and the provisions of these rules relating to recipient eligibility as they relate to who operates or will operate a farm.

ITEM 4. Amend subrules 44.6(1), 44.6(3) and 44.6(4) as follows:

44.6(1) General provisions.

a. *Term.* The term of the credit shall be equal to the term of the agricultural assets transfer agreement, except that any unused credit may be carried forward for a period of ~~five~~ ten years if unused in the tax year the credits are earned. Credits may not be carried back to past tax years.

b. and c. No change.

44.6(3) Execution of an agricultural assets transfer agreement. In addition to the requirements of rule 265—44.6(~~175 16~~), both the taxpayer and the BFTC eligible applicant shall execute an agricultural

assets transfer agreement. This form shall be in a format used by the Iowa State Bar Association or other commonly accepted form and signed by all parties.

44.6(4) Procedures following tax credit approval. Either the BFTC eligible applicant or the taxpayer shall immediately notify the authority of any material changes in the agricultural assets transfer agreement. The authority shall act upon these changes pursuant to Iowa Code section ~~475.37~~ 16.80. Material changes cannot result in an increase in the original tax credit amount approved.

ITEM 5. Amend subrules 44.7(1) and 44.7(5) as follows:

44.7(1) General provisions.

a. Term. The term of the credit shall not exceed one year, except that any unused credit may be carried forward for a period of ~~five~~ ten years if unused in the tax year the credits are earned. Credits may not be carried back to past tax years.

b. and c. No change.

44.7(5) Procedures following tax credit approval. Either the BFCF eligible applicant or the taxpayer shall immediately notify the authority of any material changes in the custom hire contract. The authority shall act upon these changes pursuant to Iowa Code section ~~475.38~~ 16.81. Material changes cannot result in an increase in the original tax credit amount approved. Death of a party to the contract, divorce, or sale of the property will be considered eligible material changes.

ITEM 6. Amend ~~265—~~**Chapter 44**, implementation sentence, as follows:

These rules are intended to implement Iowa Code ~~chapters 16 and 175 and 2013 Iowa Acts, chapter 400~~ sections 16.4A, 16.4B, and 16.75 to 16.84.

[Filed 5/8/15, effective 7/1/15]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 5/27/15.